

## **DIRECT BUSINESS ACCOUNT APPLICATION & AGREEMENT INSTRUCTIONS**

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### **1. ACCOUNT SETUP**

Please select the appropriate account registration by checking appropriate the box. Consult with your financial consultant if you are unsure of the registration type that you would like listed on the account. Additional paperwork is required for entity accounts.

### **2. ACCOUNT HOLDER ADDRESS**

Please complete this section with the information for the Primary Account Holder only (such as the primary owner, authorized individual, custodian, administrator, trustee, partner, or participant).

### **3. ACCOUNT HOLDER INFORMATION**

Please complete this section with the information for the Primary Account Holder only (such as the primary owner, authorized individual, custodian, administrator, trustee, partner, or participant). For entity accounts, complete this section for each authorized individual associated with the account. Additional account holders or authorized individuals can be provided in Section 5. Entity Accounts should complete the Additional Information for Entities section.

### **4. SUITABILITY**

Your Broker/Dealer is required by FINRA and other regulators to obtain certain financial information when offer or selling securities products.

### **5. ADDITIONAL ACCOUNT HOLDERS**

Complete this section to provide information on additional account holders. You may photocopy this page if there are more than two holders listed on the account.

All account holders must sign on page 2.

**DIRECT BUSINESS NEW ACCOUNT APPLICATION & AGREEMENT**

**1. ACCOUNT SETUP**

Account Title (Primary Account Holder / Entity Name)	Financial Consultant:
Joint Account Holder/ Entity Representative Name:	Transaction Description:

IF YES, INDICATE TYPE:  IRA,  OTHER \_\_\_\_\_

Indicate an account registration type (either personal or entity). Types of ownership are governed by the laws of your state of residence. If you need information about which are appropriate in your state, please consult your state tax officials or your tax advisor. Additional paperwork is required for estate or entity accounts.

**Personal Accounts**

- Individual
  - Tenants with Rights of Survivorship
  - Tenants in Common
  - Tenants in Entirety
  - Community Property
  - Other \_\_\_\_\_
- Indicate Tax qualified account type, if applicable:  IRA  Other \_\_\_\_\_

**Entity Accounts**

- Corporation
- Limited Liability Company
- Partnership
- Trust
- Professional Corp.
- Other \_\_\_\_\_

**2. ACCOUNT HOLDER ADDRESS**

► **LEGAL ADDRESS** (No P.O. Boxes)

► **MAILING ADDRESS**  Same as Legal Address

ADDRESS LINE 1 \_\_\_\_\_

ADDRESS LINE 2 \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

COUNTRY \_\_\_\_\_

ADDRESS LINE 1 \_\_\_\_\_

ADDRESS LINE 2 \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

COUNTRY \_\_\_\_\_

**3. ACCOUNT HOLDER INFORMATION**

Provide personal information on the primary individual associated with this account (such as the primary owner, custodian, administrator, trustee, officer, partner or member). If there are additional account holders, see Section 5.

- I am /  I am not a control person or affiliate of a public company under SEC Rule 144 (such as a director, 10% shareholder, or policy-making officer), or an immediate family or household member of such a person. If yes, provide name of company: \_\_\_\_\_
- I am  I am not affiliated with, or employed by, a stock exchange or member firm of either an exchange, FINRA, or a Municipal Securities Broker/Dealer. If yes, provide name of entity: \_\_\_\_\_
- I am  I am not a senior foreign political figure, or a family member or close relative of a senior foreign political figure.

**Personal Information**

► **EMPLOYMENT STATUS:**  Employed  Retired  Unemployed

► **MARITAL STATUS:**  Single/Divorced/Widowed  Married

OCCUPATION OR INCOME SOURCE (If retired or not employed) \_\_\_\_\_

EMPLOYER NAME \_\_\_\_\_

ADDRESS LINE 1 \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_ COUNTRY \_\_\_\_\_

SOCIAL SECURITY / TAX ID \_\_\_\_\_ / CITIZENSHIP \_\_\_\_\_

PASSPORT/ DRIVER'S LIC. NO. \_\_\_\_\_ ISSUED BY \_\_\_\_\_ EXPR. DATE \_\_\_\_\_

DAY PHONE \_\_\_\_\_ EVENING PHONE \_\_\_\_\_

E-MAIL \_\_\_\_\_

**Additional Information For Entities:**

TAX ID \_\_\_\_\_ BUSINESS CONDUCTED \_\_\_\_\_ STATE OF INCORP. \_\_\_\_\_

**INTERNAL USE ONLY**

x _____	_____	X _____	_____
FC SIGNATURE	DATE	PRINCIPAL APPROVAL	DATE

## 4. SUITABILITY

### Financial Profile

Joint accounts provide combined information.

► **Annual Income**

- Under \$25,000  
 \$25,000 - \$50,000  
 \$50,001 - \$100,000  
 \$100,001 - \$200,000  
 \$200,001 - \$300,000  
 Over \$300,000

► **Estimated Net Worth**

- Under \$25,000  
 \$25,001 - \$50,000  
 \$50,001 - \$100,000  
 \$100,001 - \$500,000  
 \$500,001 - \$1,000,000  
 Over \$1,000,000

► **Investable / Liquid Assets**

- Under \$25,000  
 \$25,001 - \$50,000  
 \$50,001 - \$100,000  
 \$100,001 - \$500,000  
 \$500,001 - \$1,000,000  
 Over \$1,000,000

**Federal Tax Bracket**

- 15% or below  
 16% - 28%  
 Over 28%

►  I am /  I am not an *accredited investor* as that term is defined in Regulation D of the Securities Act of 1933.

### Investment Profile

Rank your investment objectives for this account in order of importance (1 being the highest). See Terms and Conditions for definitions.

► **Investment Objectives**

- Long term growth with safety (long term capital appreciation with relative safety of principal)  
 Short term growth with high risk (Appreciation with acceptance of high risk)  
 Speculative (want increase in value of investments – High Risk)  
 Income (want to use proceeds of the acct. as a source of income)  
 Growth and Income (preserve capital as much as possible)  
 Long term growth with greater risk – Aggressive Growth (trade volatile securities that have wide changes in price)  
 Balanced (Diversification of asset classes for equal blend of income and long-term growth)  
 Capital Appreciation (High Risk, capital growth invested primarily in stocks and options)

► **Investment Knowledge**

- |                    |                               |                                  |                               |                                    |
|--------------------|-------------------------------|----------------------------------|-------------------------------|------------------------------------|
| General Knowledge  | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |
| Stocks             | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |
| Bonds              | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |
| Mutual Funds       | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |
| Options            | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |
| Variable Contracts | <input type="checkbox"/> None | <input type="checkbox"/> Limited | <input type="checkbox"/> Good | <input type="checkbox"/> Extensive |

► **Investment Time Horizon**

- Short (0-5 years)  
 Intermediate (6-10 years)  
 Long (over 10 years)

## 5. ADDITIONAL ACCOUNT HOLDERS

Use this section to provide personal information on any additional individuals associated with this account (such as joint owner, authorized individual, minor, administrator, trustee, partner or participant).

### Personal Information

► Employment Status  Employed  Retired  Not Employed

► MARITAL STATUS:  Single/Divorced/Widowed  Married

OCCUPATION OR INCOME SOURCE (If retired or not employed)

SOCIAL SECURITY / TAX ID / CITIZENSHIP

EMPLOYER NAME

PASSPORT/ DRIVER'S LIC. NO. ISSUED BY EXPR. DATE

ADDRESS LINE 1

DAY PHONE EVENING PHONE

CITY STATE ZIP CODE COUNTRY

E-MAIL

►  I am /  I am not a control person or affiliate of a public company under SEC Rule 144 (such as a director, 10% shareholder, or policy-making officer), or an immediate family or household member of such a person. *If yes, provide name of company:* \_\_\_\_\_

►  I am  I am not affiliated with, or employed by, a stock exchange or member firm of either an exchange, FINRA, or a Municipal Securities Broker/Dealer. *If yes, provide name of entity:* \_\_\_\_\_

►  I am  I am not a senior foreign political figure, or a family member or close relative of a senior foreign political figure.

**BY SIGNING BELOW THE UNDERSIGNED CERTIFIES HE/SHE HAS READ THE ATTACHED "TERMS AND CONDITIONS" AND AGREES TO ALL TERMS CONTAINED THEREIN. THE UNDERSIGNED REPRESENTS THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT. THE TERMS AND CONDITIONS CONTAIN A PRE-DISPUTE ARBITRATION CLAUSE.**

#### INDIVIDUALS, INCLUDING JOINT ACCOUNTS

Signature (Primary):

Print Name

Signature (Secondary)

Print Name:

Date:

#### ENTITY ACCOUNTS

Signature

Print Name:

Title:

Date:

## DIRECT BUSINESS NEW ACCOUNT APPLICATION & AGREEMENT

### TERMS AND CONDITIONS

**For Accounts with more than one account holder, "I" refers to all account holders.**

I am at least 18 years of age and am of full legal age in the state in which I reside. In consideration of your accepting one or more accounts, I hereby acknowledge that I have read, understood and agreed to the terms set forth in these Terms and Conditions.

I understand it is my responsibility to read the prospectus or offering statement for any direct security product purchase or exchange I make. I have received and read the prospectus or offering statement direct security product in which I am investing and I agree to the terms thereof.

I understand you are required by FINRA and other regulators to obtain certain personal financial information when servicing my account. I acknowledge the personal financial information I provided in the Account Application, including without limitation, my financial condition, tax status, and investment objectives, is accurate and correct.

**In consideration of your opening one or more accounts on my behalf, I agree as follows:**

**1. Relationships.** Unless disclosed otherwise in the Prospectus, Offering Statement or similar document, SCA has no affiliation with the issuer, insurance carrier, mutual fund company or other product provider to which your direct business purchase relates (each a "Product Provider"). I understand that SCA has entered into one or more selling agreements or placement agency agreements to offer and sell securities offered by such Product Providers. My investment will be held directly with the Product Provider, not through a brokerage account established by SCA and held through its clearing firm. Accordingly, direct product accounts are not protected by brokerage account insurance of the Securities Investor Protector Corporation (SIPC), unless the Product Provider is also a broker dealer registered with the Securities Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Terms and Conditions apply to my relationship with SCA as it relates to SCA facilitating my purchase of the direct business product through a Product Provider.

**2. Meanings.** As used in this Agreement and the Account Application, the term "I" will be deemed to refer to the applicant and any joint applicant signing, in either case whether an individual, trust, partnership, corporation or other entity. Furthermore, as used herein, the singular will be deemed to refer to the plural and vice versa unless the context otherwise clearly requires.

**3. Discretion.** I understand that neither you, your employees nor my Financial Consultant(s) will exercise any discretion over my account, and I agree not to assert in the future that you or my Financial Consultant(s) accepted any investment discretion. All orders will be entered and any transaction will be effected solely upon my order or the order of my authorized agent(s).

**4. Disclaimer.** I have read and understand SCA's general Disclaimer regarding the following disclosures, as may be applicable to my account: SCA's Privacy Statement, the Margin Disclosure Statement, Day-Trading Risk Disclosure Statement, Options Risk Disclosure (including a Supplements thereto), Portfolio Margin Acknowledgement, Payment for Order Flow, Order Routing, and Mutual Funds Breakpoint Discounts. I agree to access the Disclaimer and the above linked disclosures electronically from the homepage of SCA's website at [www.scottsdalecapital.com](http://www.scottsdalecapital.com) (the "Website") for updates at least annually or sooner if directed from time to time by SCA.

**5. Liability for costs of Collection.** I shall reimburse you for the reasonable costs and expenses of collection of the debit balance or an unpaid deficiency in my account including, but not limited to, attorney's fees, incurred and payable or paid by you.

**6. Presumption of Receipt of Communications.** You may send communications to me at the address shown in the Account Application or at such other address as I may hereafter give you in writing, and all communications so sent, whether by mail, telegraph, messenger or otherwise, shall be deemed given to me personally, whether actually received or not. Reports of executions or orders and statement of my account shall be conclusive if not

objected to in writing within five (5) days and ten (10) days respectively, after transmitted to be by mail or otherwise.

**7. Credit Information.** I understand that to verify my identity, federal law requires that you obtain my name, date of birth, residential and mailing addresses (if different), and an identification number (the "Required Information") before opening my account, and that you may verify that information in accordance with applicable laws and regulations. Federal law also requires that you obtain the Required Information with respect to any owner(s) or other person(s) authorized to effect transactions on or added to an existing account. Modification to the Required Information on an existing account may also be verified. I understand that my account may be restricted or closed if you cannot verify this information. You will not be responsible for any losses or damages (including but not limited to lost opportunity) resulting from any failure to provide this information, or from any restriction placed upon, or closing of, my account. Any information I provide to you may be shared with third parties for purpose of validating my identity, may be subject to verification and may be shared for other purposes in accordance with SCA's Privacy Policy.

**8. Pre-Dispute Arbitration Agreement.** This Customer Agreement contains a pre-dispute arbitration agreement. By agreeing to be bound by this pre-dispute arbitration agreement, the parties agree as follows:

- A. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.
- B. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.
- C. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.
- D. The arbitrators do not have to explain the reason(s) for their award.
- E. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.
- F. The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought to court.
- G. The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.

**I agree that all controversies that may arise between us (including, but not limited to, controversies concerning any account, order or transaction, or the continuation, performance, interpretation or breach of this or any other agreement between us, whether entered into or arising before, on or after the date entered into or arising before, on or after the date this account is opened) shall be determined by arbitration in accordance with the rules then prevailing of FINRA. I understand that judgment upon any arbitration award may be entered in any court of competent jurisdiction. No person will bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class who has not opted out of this class with respect to any claims encompassed by the putative class action until: (i) the class certification is denied; (ii) the class is decertified; or (iii) the customer is excluded from the class by the court. Such forbearance to enforce an agreement to arbitrate will not constitute a waiver of any rights under this Agreement except to the extent expressly stated herein.**

**9. Governing Law and Assists.** This Agreement and its enforcement shall be governed and interpreted by the laws of Arizona. This paragraph does not limit my ability to file any claim in arbitration nor does it limit or contradict any rules of NASD, such as those relating to the location of an arbitration hearing.

**10. Construction of Provisions.** If any provision of this Agreement is held to be invalid, void or unenforceable by reasons of any law, rule, administrative order or judicial decision, that determination will not affect the validity of the remaining provisions of this Agreement. Except as specifically permitted in this Agreement, no provision of this Agreement can be, nor be deemed to be, waived, altered, modified or amended unless such is agreed to in a writing signed by a duly authorized officer of SCA.